

**Church of the Resurrection of the Lord
Emmaus Catholic Parish
Lakeway, Texas**

**Unaudited Financial Statements
June 30, 2025 and 2024**

**Emmaus Catholic Parish
Lakeway, Texas**

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Emmaus Catholic Parish
Statements of Financial Position
As of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash in Commercial Checking Accounts	\$ 938,911	\$ 1,022,433
Cash Deposits held by Diocese	514,892	696,681
	<u>1,453,803</u>	<u>1,719,114</u>
Gift Card Inventory	80,696	78,313
Other Assets	303	-0-
Land and Building at Cost	<u>22,775,176</u>	<u>22,775,176</u>
 Total Assets	 <u>\$ 24,309,978</u>	 <u>\$ 24,572,603</u>
Liabilities and Net Assets		
Liabilities:		
Accounts and other Payables	\$ 21,405	\$ 230,446
Collections held for Transmittal	22,989	15,692
Funds held in Trust	463,711	394,810
Diocesan Term Loan Payable	<u>750,716</u>	<u>1,434,174</u>
 Total Liabilities	 <u>1,258,820</u>	 <u>2,075,122</u>
Net Assets:		
Temporarily Restricted	463,711	394,810
Unrestricted	<u>22,587,446</u>	<u>22,102,671</u>
 Total Net Assets	 <u>23,051,157</u>	 <u>22,497,481</u>
 Total Liabilities and Net Assets	 <u>\$ 24,309,978</u>	 <u>\$ 24,572,603</u>

Emmaus Catholic Parish
Statements of Activities
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue		
Offertory and Other Collections	\$ 2,763,473	\$ 2,743,549
Religious Education Programs	413,344	331,375
Income from Fundraising Activities	58,514	92,180
Fees, Rentals and Other Income	<u>168,163</u>	<u>152,539</u>
Total Revenue	<u>3,403,494</u>	<u>3,319,643</u>
Expenses		
Religious Education	429,523	359,919
Payroll and Program Services	1,106,466	1,129,929
Facilities Operation and Maintenance	397,303	467,840
Utilities	149,651	144,984
Insurance and Risk Management	147,278	131,998
General and Administrative	202,216	132,268
Diocesan Assessments	293,196	250,308
Interest Expense	<u>33,889</u>	<u>63,293</u>
Total Expenses	<u>2,759,521</u>	<u>2,680,538</u>
Change in Net Assets	643,973	639,105
Net Assets at Beginning of Year	22,497,481	21,755,946
Prior Period Adjustments	<u>(90,297)</u>	<u>102,430</u>
Net Assets at End of Year	\$ 23,051,157	\$ 22,497,481

Emmaus Catholic Parish
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Change in net assets	\$ 643,973	\$ 639,105
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in gift card inventory	(2,383)	(13,585)
(Increase) decrease in other assets	(303)	29,586
Increase (decrease) in accounts payable	(209,041)	203,428
Increase (decrease) in collections held	7,297	1,213
Increase (decrease) in funds held in trust	68,901	(126,425)
Prior period adjustments	<u>(90,297)</u>	<u>102,430</u>
Net cash provided by operating activities	<u>\$ 418,147</u>	<u>\$ 855,752</u>
Cash from investing activities:		
Property improvements and additions	<u>-0-</u>	<u>(251,649)</u>
Net cash provided by investing activities	<u>-0-</u>	<u>(251,649)</u>
Cash from financing activities:		
Principal payments on Diocesan term loan	<u>(683,458)</u>	<u>(1,168,554)</u>
Net cash used in financing activities	<u>(683,458)</u>	<u>(1,168,554)</u>
Net increase (decrease) in cash	(265,311)	(584,451)
Cash at beginning of year	<u>1,719,114</u>	<u>2,303,565</u>
Cash at end of year	<u>\$ 1,453,803</u>	<u>\$ 1,719,114</u>

Emmaus Catholic Parish
Notes to Unaudited Financial Statements
June 30, 2025 and 2024

1. Organization.

The accompanying financial statements are those of the Church of the Resurrection of the Lord (Emmaus Catholic Parish or the “Parish”) of the Diocese of Austin (“Diocese”). The Parish includes the accounts of the Queen of Angels Chapel in Spicewood, TX with those of its main campus in Lakeway, TX.

All parishes in the Diocese are separately incorporated as non-profit organizations. The accompanying statements include only the assets, liabilities, net assets, and financial activities of the Parish. The statements may not include recognition of certain costs and capital transactions related to its separate organizational structure.

2. Significant Accounting Policies.

(a) Basis of Presentation

The accompanying financial statements are presented on a modified cash basis of accounting and are therefore not prepared in accordance with generally accepted accounting principles. With limited exception of certain deferred revenue liabilities, all revenue and expense amounts are generally recognized when received or paid, respectively. In accordance with Diocesan accounting guidelines, all fixed asset amounts are carried on an unadjusted historical cost basis without deduction for depreciation or amortization.

Net assets within the Parish’s Statement of Financial Position are classified based upon the existence or absence of donor-imposed stipulations, as follows:

Unrestricted Net Assets – Includes all resources and contributions that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Includes contributions or other support whose use by the Parish is limited to specific purposes according to donor-imposed stipulations. When donor stipulations attached to such contributions are fulfilled, temporarily restricted net assets related thereto are reclassified to unrestricted net assets.

(b) Cash and Cash Equivalents

All of the Parish’s cash is maintained in either checking accounts at commercial banks or in accounts maintained by the Diocese.

(c) Cash Concentration

The Parish maintains cash balances at the Diocese in accordance with its Diocesan Investment and Loan (DIAL) program and at several financial institutions. A portion of such cash deposits are in excess of insurance limits provided by the Federal Deposit Insurance Corporation (FDIC). If these financial institutions were not to honor their contractual liability, the Parish would incur loss. The Parish is of the opinion there is minimal risk of loss because of the financial strength of these financial institutions.

(d) Collections Held for Transmittal

The Parish takes up collections for specific charities and organizations within the Diocese. Such receipts are classified as a liability until the funds are remitted to the Diocese or designated charity.

(e) Restricted Contributions

Unrestricted contributions and bequests are recognized as revenue when they are received. Contributions subject to donor restrictions are recorded as temporarily restricted revenue, temporarily restricted net assets or deferred revenue liabilities (Funds held in Trust), depending on the existence and/or nature of donor restrictions. Donor restrictions relating to the contributions are released and the corresponding amounts reclassified when the purpose set forth by the donor has been substantially achieved, generally by making improvements, reducing debt, or incurring expenses in conformity with the stated purpose of the contributions.

Contributions subject to donor restrictions (Funds held in Trust) at June 30, 2025 and 2024 consist of:

	<u>2025</u>	<u>2024</u>
Benevolence Fund	13,606	11,691
Restricted Gala Contributions	206,353	151,339
Cemetery Plot Deposits	179,509	180,711
Other Designated Donations	64,243	51,068
	<u>\$ 463,711</u>	<u>\$ 394,810</u>

(f) Land, Building and Equipment

Consistent with Diocesan accounting guidelines, buildings, and equipment are recorded at cost without deduction for depreciation expense or other reduction in value until retired or replaced. Expenditures that significantly increase values or extend useful lives are capitalized. Repair and maintenance costs are expensed as incurred.

Land, building, and equipment consist of the following at June 30, 2025:

Land	\$ 971,119
Church Building	10,087,219
Parish Life Center	6,474,437
Queen of Angels Chapel	935,820
Former Office Building	387,263
Rectory	241,587
Pastoral Center	3,426,082
HVAC Plant Addition	<u>251,649</u>
	<u>\$ 22,775,176</u>

In February 2021, below freezing temperatures from a severe winter storm caused a fire suppression line in the Parish's main church building to burst, resulting in extensive flooding and water damage throughout the building. The Parish undertook a comprehensive program of restoration (demolition, repair, and replacement) of the parts of the church that were damaged or lost and elected to renovate certain components and fixtures during this process. The cost of the restoration work is covered by the Parish's property insurance (see note 6. Insurance, below), while renovation costs were funded through parishioner contributions and proceeds from fundraising programs designated for that purpose and general operating funds. The restoration and renovation of the Parish's main church building was substantially completed in 2023.

(g) Prior Period Adjustments/Reclassification.

Certain prior year amounts have been reclassified to conform with the current year presentation and/or Diocesan accounting guidelines.

3. Capital Campaigns

The Parish participates in the Diocese's "*Encountering Christ*" capital campaign in which the parish completed a 6-month fundraising phase in December 2019. Following the fundraising phase of the campaign, there is a five-year phase for parishioners to fulfill their pledges. Thirty percent (30%) of all funds collected from pledge payments and one-time gifts by parishioners to this campaign are returned to the Parish, the use for which was initially designated to fund costs of the Parish's property additions and subsequently designated to reduce Parish debt. Included in the June 30, 2025 Statement of Activities are \$17,999 in Parish rebates related to this campaign.

The financial statements do not include recognition of any pledge payments receivable for this capital campaign.

4. Loans

In January 2022, the Parish refinanced its bonded debt and diocesan term loan into a new (DIAL) term loan with the Diocese in the original amount of \$3,406,363. The initial interest rate of the loan was set at 3.00% and the loan is to be amortized over a 9-year term with monthly payments of \$36,029. The Loan Agreement with the Diocese provides that the interest rate on the loan is subject to adjustment as market conditions dictate.

The Parish periodically makes additional principal-reduction payments on its debt from parishioner contributions designated for that purpose, parish rebates from the Encountering Christ Campaign, and from its operating surpluses. During the year ended June 30, 2025, the Parish made additional payments of \$285,000 to reduce the principal balance of the diocesan term loan, which as of June 30, 2025, was \$750,710. Because the Parish continues to make monthly payments in the original amount of \$36,029, the effect of the additional principal-reduction payments is to reduce the remaining term of the loan.

None of the Parish's properties is encumbered by a mortgage or other lien.

5. Diocesan Assessment and Subsidies

On a calendar year basis, Cathedraticum assessments are made by the Diocese on the Parish at the rate of 10% of parish collections and other assessable revenue. The Parish is also required to contribute a subsidy to help support the cost of Catholic schools in other parishes.

6. Insurance

The Parish participates in the Diocese's insurance program for its property, liability, automobile, and workers compensation insurance coverages. The Parish also participates in the Diocese's health care, life insurance and pension programs for its eligible employees. Premium costs as established by the Diocese are paid directly to the Diocese by the Parish for all such coverage.

7. Income Taxes

The Parish is exempt from Federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. However, the Parish is subject to tax under Section 511(a) to the extent it has unrelated business taxable income. The Parish had no material unrelated business taxable income during fiscal years ended June 30, 2025 or 2024.